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PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Integrated Management Information System

Report of the Secretary-General

I. INTRODUCTION

1. In June 1994, in his sixth progress report on the Integrated Management Information System (IMIS) (A/C.5/48/12/Add.1), the Secretary-General submitted to the General Assembly a detailed plan for completing and implementing IMIS world wide by the end of 1997.

2. That plan resulted from a complete reprogramming and rebudgeting exercise undertaken in order to assess the requirements for the completion of the project and the resources available, in terms of both staff and approved funding. The exercise included an assessment of basic maintenance needs for the bienniums 1994-1995 and 1996-1997.

3. Pending a detailed review of his sixth progress report by the Advisory Committee on Administrative and Budgetary Questions and the General Assembly, the Secretary-General informed the Committee of the measures that were being taken to accelerate and ensure the completion of the project (see A/48/7/Add.15). Those measures entailed a reallocation of the resources approved for IMIS to activities within IMIS for which funds had not been foreseen.

4. The General Assembly took note of the proposed measures and requested the Board of Auditors to conduct a special audit of the IMIS project, bearing in mind the proposals contained in the sixth progress report of the Secretary-General and to analyse, inter alia, the ongoing expenditures and projected costs, and to report to the Assembly at its forty-ninth session in time for consideration of the Secretary-General's proposals (decision 48/492). The

report of the Board of Auditors on the special audit is before the General Assembly in document A/49/680.

5. The measures since taken include the recruitment of temporary staff in the finance area to work on the implementation of the financial applications, the recruitment of temporary staff to replace permanent staff being trained in the maintenance of IMIS and the strengthening of the IMIS team.

6. In his sixth progress report, the Secretary-General proposed to report further on the matter to the General Assembly at its forty-ninth session. The Secretary-General is now requesting an additional appropriation to meet the resource requirements of the project in 1995.

II. CONCLUSIONS OF THE SPECIAL AUDIT

7. The special audit was conducted during September and October 1994 and supplemented the early review of the project that had been undertaken earlier in 1994 as a part of the audit of the activities of the Organization for the biennium ended 31 December 1993. The overall conclusions of the Board of Auditors read as follows:

> "The Board was pleased to note that the shortcomings in the IMIS project identified in its previous audit of the project and reported to the General Assembly have been addressed in the proposals contained in the Secretary-General's sixth progress report. Taken as a whole, the Board's review of the proposals found that the corrective steps needed for the successful implementation of this very important project have been put in place. Further, we found that the general rationale for the revised estimates was soundly based. Nevertheless, the Board did identify some areas which require further attention and has made a number of detailed recommendations. It should also be noted that, as with all complex projects of this nature, it is not inconceivable that further difficulties may emerge as the project continues". (A/49/680, annex, para. 6)

8. The detailed findings and recommendations of the Board of Auditors are being reviewed by the Organization. Some measures have already been taken, namely the starting of surveys of offices away from Headquarters, a consolidated workplan, the assignment of United Nations staff to conduct training courses for the next release, the assignment of United Nations staff to maintenance activities being conducted principally by contractors, and a very demanding timetable for the completion of the user review of release 3.

III. DEVELOPMENTS SINCE THE SIXTH PROGRESS REPORT

9. The sixth progress report presented a detailed new plan for the completion of the project with a very aggressive time schedule. As was indicated in that report, periodic reprogramming needs to be undertaken regularly, since unexpected factors may arise that require revision of schedules, redirection of efforts and resources, or changes to the software. Some of these new factors

have arisen since that report was drafted and have led to the rescheduling of implementation, set out below.

Release 2 (Personnel)

10. Release 2 will be implemented at the end of the first quarter of 1995, instead of at the end of the third quarter of 1994. The cleansing of personnel records, which was expected to be completed by the end of July 1994, brought to light a heavy backlog in the processing of personnel actions and in the review of dependency allowances, and long-standing policy issues that needed to be addressed in relation to the complex requirements of personnel management for peace-keeping operations. This will not however change the overall time-frame for the completion of the project.

11. The implementation of IMIS is forcing the Organization to comply with its own requirements for timely processing of personnel actions. Before IMIS, delays in such processing were frequent and tolerated. The amount of corrective work that had to be done to bring personnel records up to date was, however, massive. For example, the Staff Administration and Monitoring Service of the Office of Human Resources Management had to review about 8,000 forms related to dependency allowances covering a period going back three years. As at the end of July 1994, there were 1,515 staff members whose contracts were pending extension. This number was reduced to 247 as at the end of November, and many cases needed consultation between the departments that had released staff members to peace-keeping missions and the Field Administration and Logistics Division of the Department of Peace-keeping Operations.

12. New strategies and radical changes in procedures, including increased delegation of authority made possible by the monitoring and control capabilities provided by IMIS, had to be adopted to regularize this situation, which severely hampers any proper resource management. The implementation process revealed that the Organization's personnel and payroll records contained several thousand discrepancies. Among new procedures is a strict deadline given to all departments to ensure that all staff on board have a valid appointment and encumber a valid post if they are to remain on the payroll beyond 31 December 1994. Since mid-October, statistics are generated daily on the number of staff with an expired appointment or not properly placed against a post. Such lists have been circulated to almost all areas. In addition, all dependants' records have been reviewed and have been loaded into IMIS, the first time in years that such work has been accomplished before the end of the year.

13. As mentioned in the sixth progress report, the software for release 2 has been completed and is ready for installation.

Release 3 (Finance, procurement and travel)

14. Release 3 will be implemented in the last quarter of 1995, instead of the second quarter of 1995. The testing of this release had to be suspended during the summer as the need for changes became apparent, and was resumed in October. Again, this delay will not affect the overall time-frame for completion of the project. The majority of the additional staff assigned to the project in the finance area were on board by the end of September, and the Organization is thus

in a position to proceed to very detailed user reviews to ensure that the system meets the needs of the operations. The system is being tested and reviewed at the same time, and changes required, which would normally be identified after implementation, are being determined. This process is particularly important in the finance area to ensure that the financial transactions can be processed on a timely basis and that the posting of the transactions is done correctly. It is imperative that release 3 be in place before the end of 1995 so as not to affect adversely the closing of the biennial accounts.

Release 4 (Payroll)

15. The implementation date of release 4, which requires release 3 to be in place, has been rescheduled to 1 January 1996 from the last quarter of 1995. No delays or major difficulties are expected in this area.

Offices away from Headquarters

16. The implementation of the first two releases at offices away from Headquarters is expected to be on schedule, with the system installed in at least three duty stations during the second half of 1995. Survey missions have started and will be completed on schedule. Data cleansing efforts have been initiated prior to installation so as to avoid the problems which arose at Headquarters.

IV. COST ESTIMATES

17. Sections V and VI of the sixth progress report contained detailed cost estimates. These estimates have been analysed by the Board of Auditors, and their comments have been taken into account. The Board of Auditors reported that contractual services were underestimated by some $1.6 million. This will be reviewed and addressed in the proposed programme budget for the biennium 1996-1997. Furthermore, the Board reported that some additional requirements, mainly for general temporary assistance and contractual services, might arise following the completion of the surveys at offices away from Headquarters.

18. The Board also recommended that some of the activities that were described in the sixth progress report, and which undoubtedly will need to be carried out, be taken over by in-house staff. This applies to both development contractual services and maintenance activities. Consideration is being given to what extent part of these activities can be taken over by staff members, either assigned to these tasks and replaced by temporary staff, or newly recruited. This transition will initially be slow because of the training needs of the newly assigned staff and consequently the current estimates for 1995 will not be affected.

19. The Board of Auditors also strongly recommended that the Organization make more use of in-house resources for training, recognizing that the estimates were prepared for the worst-case scenario, namely, that in-house resources would not be available. Plans are being made to use qualified staff members for training at offices away from Headquarters during 1995 and to use some of the temporary staff hired for release 3 implementation for training for releases 3 and 4 at

Headquarters. The assignment of staff from offices away from Headquarters to training during the next biennium is being seriously considered. Those staff members will need to be trained at Headquarters and possibly replaced during their absence. This will nevertheless enable the Organization to create a large group of advanced users who can serve as resource persons after implementation.

V. RESOURCE REQUIREMENTS FOR 1994-1995

20. In the sixth progress report, the Secretary-General informed the General Assembly that net additional resource requirements in 1994-1995 were estimated at $7,337,200, of which $2,872,800 related to maintenance (A/C.5/48/12/Add.1, para. 60). The Board of Auditors has since confirmed that the estimates are fundamentally sound, although it may be anticipated that further adjustments will be required during the course of implementation. Based on experience to date, the Secretary-General believes that the estimates, while broadly based, remain valid and is not proposing any changes at this time. Accordingly, the Secretary-General is requesting an additional appropriation of $7,337,200 to cover the full amount of the net increase in the cost of the project.

VI. CONTINGENCY FUND

21. It will be recalled that, under the procedure established by the General Assembly in its resolution 41/213, a contingency fund is established for each biennium to accommodate additional expenditures not provided for in the programme budget. Under that procedure, if additional expenditures are proposed that exceed resources available for the contingency fund, those activities can be implemented only through redeployment of resources from low-priority areas or modification of projected activities. Otherwise, such additional activities will have to be deferred until a later biennium. A consolidated statement of all programme budget implications and revised estimates will be submitted to the Assembly towards the end of its current session.

22. No activities are proposed for termination, deferral, curtailment or modification in the programme budget for 1994-1995 to finance the activities proposed under section 29. In the event that such resources are not available from the contingency fund, those activities would have to be postponed, as provided for in the guidelines on the use of the contingency fund adopted by the General Assembly in its resolution 42/211.